



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2993

by Rep. Elaine Nekritz

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Deletes references to the State Universities Retirement System from the Tier 2 Section of the General Provisions Article and incorporates the Tier 2 provisions into the State Universities Article. Also makes administrative changes: authorizes the Board to delegate some of its duties; provides that warrants, checks, and drafts need not be signed by the president of the Board; specifies that the Board's rulemaking power includes the time and manner of reporting contributions; authorizes the Board to procure additional actuarial, legal, medical, audit, and other services; makes other changes. Effective immediately.

LRB098 10966 EFG 41588 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 1-160, 15-102, 15-111, 15-112, 15-113.6, 15-134,
6 15-135, 15-136, 15-136.3, 15-139, 15-145, 15-146, 15-146.1,
7 15-155, 15-157, 15-158.2, 15-159, 15-163, 15-168, 15-171,
8 15-172, and 15-177 and by adding Sections 15-108.1, 15-108.2,
9 15-139.1, 15-145.1, and 15-177.1 as follows:

10 (40 ILCS 5/1-160)

11 Sec. 1-160. Provisions applicable to new hires.

12 (a) The provisions of this Section apply to a person who,
13 on or after January 1, 2011, first becomes a member or a
14 participant under any reciprocal retirement system or pension
15 fund established under this Code, other than a retirement
16 system or pension fund established under Article 2, 3, 4, 5, 6,
17 15 or 18 of this Code, notwithstanding any other provision of
18 this Code to the contrary, but do not apply to any self-managed
19 plan established under this Code, to any person with respect to
20 service as a sheriff's law enforcement employee under Article
21 7, or to any participant of the retirement plan established
22 under Section 22-101.

23 (b) "Final average salary" means the average monthly (or

1 annual) salary obtained by dividing the total salary or
2 earnings calculated under the Article applicable to the member
3 or participant during the 96 consecutive months (or 8
4 consecutive years) of service within the last 120 months (or 10
5 years) of service in which the total salary or earnings
6 calculated under the applicable Article was the highest by the
7 number of months (or years) of service in that period. For the
8 purposes of a person who first becomes a member or participant
9 of any retirement system or pension fund to which this Section
10 applies on or after January 1, 2011, in this Code, "final
11 average salary" shall be substituted for the following:

12 (1) In Article ~~Articles~~ 7 (except for service as
13 sheriff's law enforcement employees) ~~and 15~~, "final rate of
14 earnings".

15 (2) In Articles 8, 9, 10, 11, and 12, "highest average
16 annual salary for any 4 consecutive years within the last
17 10 years of service immediately preceding the date of
18 withdrawal".

19 (3) In Article 13, "average final salary".

20 (4) In Article 14, "final average compensation".

21 (5) In Article 17, "average salary".

22 (6) In Section 22-207, "wages or salary received by him
23 at the date of retirement or discharge".

24 (b-5) Beginning on January 1, 2011, for all purposes under
25 this Code (including without limitation the calculation of
26 benefits and employee contributions), the annual earnings,

1 salary, or wages (based on the plan year) of a member or
2 participant to whom this Section applies shall not exceed
3 \$106,800; however, that amount shall annually thereafter be
4 increased by the lesser of (i) 3% of that amount, including all
5 previous adjustments, or (ii) one-half the annual unadjusted
6 percentage increase (but not less than zero) in the consumer
7 price index-u for the 12 months ending with the September
8 preceding each November 1, including all previous adjustments.

9 For the purposes of this Section, "consumer price index-u"
10 means the index published by the Bureau of Labor Statistics of
11 the United States Department of Labor that measures the average
12 change in prices of goods and services purchased by all urban
13 consumers, United States city average, all items, 1982-84 =
14 100. The new amount resulting from each annual adjustment shall
15 be determined by the Public Pension Division of the Department
16 of Insurance and made available to the boards of the retirement
17 systems and pension funds by November 1 of each year.

18 (c) A member or participant is entitled to a retirement
19 annuity upon written application if he or she has attained age
20 67 and has at least 10 years of service credit and is otherwise
21 eligible under the requirements of the applicable Article.

22 A member or participant who has attained age 62 and has at
23 least 10 years of service credit and is otherwise eligible
24 under the requirements of the applicable Article may elect to
25 receive the lower retirement annuity provided in subsection (d)
26 of this Section.

1 (d) The retirement annuity of a member or participant who
2 is retiring after attaining age 62 with at least 10 years of
3 service credit shall be reduced by one-half of 1% for each full
4 month that the member's age is under age 67.

5 (e) Any retirement annuity or supplemental annuity shall be
6 subject to annual increases on the January 1 occurring either
7 on or after the attainment of age 67 or the first anniversary
8 of the annuity start date, whichever is later. Each annual
9 increase shall be calculated at 3% or one-half the annual
10 unadjusted percentage increase (but not less than zero) in the
11 consumer price index-u for the 12 months ending with the
12 September preceding each November 1, whichever is less, of the
13 originally granted retirement annuity. If the annual
14 unadjusted percentage change in the consumer price index-u for
15 the 12 months ending with the September preceding each November
16 1 is zero or there is a decrease, then the annuity shall not be
17 increased.

18 (f) The initial survivor's or widow's annuity of an
19 otherwise eligible survivor or widow of a retired member or
20 participant who first became a member or participant on or
21 after January 1, 2011 shall be in the amount of 66 2/3% of the
22 retired member's or participant's retirement annuity at the
23 date of death. In the case of the death of a member or
24 participant who has not retired and who first became a member
25 or participant on or after January 1, 2011, eligibility for a
26 survivor's or widow's annuity shall be determined by the

1 applicable Article of this Code. The initial benefit shall be
2 66 2/3% of the earned annuity without a reduction due to age. A
3 child's annuity of an otherwise eligible child shall be in the
4 amount prescribed under each Article if applicable. Any
5 survivor's or widow's annuity shall be increased (1) on each
6 January 1 occurring on or after the commencement of the annuity
7 if the deceased member died while receiving a retirement
8 annuity or (2) in other cases, on each January 1 occurring
9 after the first anniversary of the commencement of the annuity.
10 Each annual increase shall be calculated at 3% or one-half the
11 annual unadjusted percentage increase (but not less than zero)
12 in the consumer price index-u for the 12 months ending with the
13 September preceding each November 1, whichever is less, of the
14 originally granted survivor's annuity. If the annual
15 unadjusted percentage change in the consumer price index-u for
16 the 12 months ending with the September preceding each November
17 1 is zero or there is a decrease, then the annuity shall not be
18 increased.

19 (g) The benefits in Section 14-110 apply only if the person
20 is a State policeman, a fire fighter in the fire protection
21 service of a department, or a security employee of the
22 Department of Corrections or the Department of Juvenile
23 Justice, as those terms are defined in subsection (b) of
24 Section 14-110. A person who meets the requirements of this
25 Section is entitled to an annuity calculated under the
26 provisions of Section 14-110, in lieu of the regular or minimum

1 retirement annuity, only if the person has withdrawn from
2 service with not less than 20 years of eligible creditable
3 service and has attained age 60, regardless of whether the
4 attainment of age 60 occurs while the person is still in
5 service.

6 (h) If a person who first becomes a member or a participant
7 of a retirement system or pension fund subject to this Section
8 on or after January 1, 2011 is receiving a retirement annuity
9 or retirement pension under that system or fund and becomes a
10 member or participant under any other system or fund created by
11 this Code and is employed on a full-time basis, except for
12 those members or participants exempted from the provisions of
13 this Section under subsection (a) of this Section, then the
14 person's retirement annuity or retirement pension under that
15 system or fund shall be suspended during that employment. Upon
16 termination of that employment, the person's retirement
17 annuity or retirement pension payments shall resume and be
18 recalculated if recalculation is provided for under the
19 applicable Article of this Code.

20 If a person who first becomes a member of a retirement
21 system or pension fund subject to this Section on or after
22 January 1, 2012 and is receiving a retirement annuity or
23 retirement pension under that system or fund and accepts on a
24 contractual basis a position to provide services to a
25 governmental entity from which he or she has retired, then that
26 person's annuity or retirement pension earned as an active

1 employee of the employer shall be suspended during that
2 contractual service. A person receiving an annuity or
3 retirement pension under this Code shall notify the pension
4 fund or retirement system from which he or she is receiving an
5 annuity or retirement pension, as well as his or her
6 contractual employer, of his or her retirement status before
7 accepting contractual employment. A person who fails to submit
8 such notification shall be guilty of a Class A misdemeanor and
9 required to pay a fine of \$1,000. Upon termination of that
10 contractual employment, the person's retirement annuity or
11 retirement pension payments shall resume and, if appropriate,
12 be recalculated under the applicable provisions of this Code.

13 (i) (Blank). ~~Notwithstanding any other provision of this~~
14 ~~Section, a person who first becomes a participant of the~~
15 ~~retirement system established under Article 15 on or after~~
16 ~~January 1, 2011 shall have the option to enroll in the~~
17 ~~self managed plan created under Section 15-158.2 of this Code.~~

18 (j) In the case of a conflict between the provisions of
19 this Section and any other provision of this Code, the
20 provisions of this Section shall control.

21 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11;
22 97-609, eff. 1-1-12.)

23 (40 ILCS 5/15-102) (from Ch. 108 1/2, par. 15-102)

24 Sec. 15-102. Terms defined. The terms used in this Article
25 shall have the meanings ascribed to them in Sections 15-103

1 through 15-198 ~~15-132.1~~, except when the context otherwise
2 requires.

3 (Source: P.A. 91-357, eff. 7-29-99.)

4 (40 ILCS 5/15-108.1 new)

5 Sec. 15-108.1. Tier 1 member. "Tier 1 member": A
6 participant or an annuitant of a retirement annuity under this
7 Article, other than a participant in the self-managed plan
8 under Section 15-158.2, who first became a participant or
9 member before January 1, 2011 under any reciprocal retirement
10 system or pension fund established under this Code, other than
11 a retirement system or pension fund established under Articles
12 2,3,4,5,6, or 18 of this Code. "Tier 1 member" includes a
13 person who first became a participant under this System before
14 January 1, 2011 and who accepts a refund and is subsequently
15 reemployed by an employer on or after January 1, 2011.

16 (40 ILCS 5/15-108.2 new)

17 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A
18 participant under this Article, other than a participant in the
19 self-managed plan under Section 15-158.2, who on or after
20 January 1, 2011, first becomes a participant or member under
21 any reciprocal retirement system or pension fund established
22 under this Code.

23 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

1 Sec. 15-111. Earnings.

2 (a) "Earnings": An amount paid for personal services equal
3 to the sum of the basic compensation plus extra compensation
4 for summer teaching, overtime or other extra service. For
5 periods for which an employee receives service credit under
6 subsection (c) of Section 15-113.1 or Section 15-113.2,
7 earnings are equal to the basic compensation on which
8 contributions are paid by the employee during such periods.
9 Compensation for employment which is irregular, intermittent
10 and temporary shall not be considered earnings, unless the
11 participant is also receiving earnings from the employer as an
12 employee under Section 15-107.

13 With respect to transition pay paid by the University of
14 Illinois to a person who was a participating employee employed
15 in the fire department of the University of Illinois's
16 Champaign-Urbana campus immediately prior to the elimination
17 of that fire department:

18 (1) "Earnings" includes transition pay paid to the
19 employee on or after the effective date of this amendatory
20 Act of the 91st General Assembly.

21 (2) "Earnings" includes transition pay paid to the
22 employee before the effective date of this amendatory Act
23 of the 91st General Assembly only if (i) employee
24 contributions under Section 15-157 have been withheld from
25 that transition pay or (ii) the employee pays to the System
26 before January 1, 2001 an amount representing employee

1 contributions under Section 15-157 on that transition pay.
2 Employee contributions under item (ii) may be paid in a
3 lump sum, by withholding from additional transition pay
4 accruing before January 1, 2001, or in any other manner
5 approved by the System. Upon payment of the employee
6 contributions on transition pay, the corresponding
7 employer contributions become an obligation of the State.

8 (b) For a Tier 2 member, the annual earnings shall not
9 exceed \$106,800; however, that amount shall annually
10 thereafter be increased by the lesser of (i) 3% of that amount,
11 including all previous adjustments, or (ii) one half the annual
12 unadjusted percentage increase (but not less than zero) in the
13 consumer price index-u for the 12 months ending with the
14 September preceding each November 1, including all previous
15 adjustments.

16 For the purposes of this Section, "consumer price index u"
17 means the index published by the Bureau of Labor Statistics of
18 the United States Department of Labor that measures the average
19 change in prices of goods and services purchased by all urban
20 consumers, United States city average, all items, 1982-84 =
21 100. The new amount resulting from each annual adjustment shall
22 be determined by the Public Pension Division of the Department
23 of Insurance and made available to the boards of the retirement
24 systems and pension funds by November 1 of each year.

25 (Source: P.A. 91-887, eff. 7-6-00.)

1 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

2 Sec. 15-112. Final rate of earnings.

3 "Final rate of earnings":

4 (a) This subsection (a) applies only to a Tier 1 member ~~to~~
5 ~~a person who first becomes a participant of any system before~~
6 ~~January 1, 2011.~~

7 For an employee who is paid on an hourly basis or who
8 receives an annual salary in installments during 12 months of
9 each academic year, the average annual earnings during the 48
10 consecutive calendar month period ending with the last day of
11 final termination of employment or the 4 consecutive academic
12 years of service in which the employee's earnings were the
13 highest, whichever is greater. For any other employee, the
14 average annual earnings during the 4 consecutive academic years
15 of service in which his or her earnings were the highest. For
16 an employee with less than 48 months or 4 consecutive academic
17 years of service, the average earnings during his or her entire
18 period of service. The earnings of an employee with more than
19 36 months of service prior to the date of becoming a
20 participant are, for such period, considered equal to the
21 average earnings during the last 36 months of such service.

22 (b) This subsection (b) applies to a Tier 2 member ~~person~~
23 ~~to whom subsection (a) does not apply.~~

24 For an employee who is paid on an hourly basis or who
25 receives an annual salary in installments during 12 months of
26 each academic year, the average annual earnings obtained by

1 dividing by 8 the total earnings of the employee during the 96
2 consecutive months in which the total earnings were the highest
3 within the last 120 months prior to termination.

4 For any other employee, the average annual earnings during
5 the 8 consecutive academic years within the 10 years prior to
6 termination in which the employee's earnings were the highest.
7 For an employee with less than 96 consecutive months or 8
8 consecutive academic years of service, whichever is necessary,
9 the average earnings during his or her entire period of
10 service.

11 (c) For an employee on leave of absence with pay, or on
12 leave of absence without pay who makes contributions during
13 such leave, earnings are assumed to be equal to the basic
14 compensation on the date the leave began.

15 (d) For an employee on disability leave, earnings are
16 assumed to be equal to the basic compensation on the date
17 disability occurs or the average earnings during the 24 months
18 immediately preceding the month in which disability occurs,
19 whichever is greater.

20 (e) For a Tier 1 member ~~participant~~ who retires on or after
21 the effective date of this amendatory Act of 1997 with at least
22 20 years of service as a firefighter or police officer under
23 this Article, the final rate of earnings shall be the annual
24 rate of earnings received by the participant on his or her last
25 day as a firefighter or police officer under this Article, if
26 that is greater than the final rate of earnings as calculated

1 under the other provisions of this Section.

2 (f) If a Tier 1 member ~~participant to whom subsection (a)~~
3 ~~of this Section applies~~ is an employee for at least 6 months
4 during the academic year in which his or her employment is
5 terminated, the annual final rate of earnings shall be 25% of
6 the sum of (1) the annual basic compensation for that year, and
7 (2) the amount earned during the 36 months immediately
8 preceding that year, if this is greater than the final rate of
9 earnings as calculated under the other provisions of this
10 Section.

11 (g) In the determination of the final rate of earnings for
12 an employee, that part of an employee's earnings for any
13 academic year beginning after June 30, 1997, which exceeds the
14 employee's earnings with that employer for the preceding year
15 by more than 20 percent shall be excluded; in the event that an
16 employee has more than one employer this limitation shall be
17 calculated separately for the earnings with each employer. In
18 making such calculation, only the basic compensation of
19 employees shall be considered, without regard to vacation or
20 overtime or to contracts for summer employment.

21 (h) The following are not considered as earnings in
22 determining final rate of earnings: (1) severance or separation
23 pay, (2) retirement pay, (3) payment for unused sick leave, and
24 (4) payments from an employer for the period used in
25 determining final rate of earnings for any purpose other than
26 (i) services rendered, (ii) leave of absence or vacation

1 granted during that period, and (iii) vacation of up to 56 work
2 days allowed upon termination of employment; except that, if
3 the benefit has been collectively bargained between the
4 employer and the recognized collective bargaining agent
5 pursuant to the Illinois Educational Labor Relations Act,
6 payment received during a period of up to 2 academic years for
7 unused sick leave may be considered as earnings in accordance
8 with the applicable collective bargaining agreement, subject
9 to the 20% increase limitation of this Section. Any unused sick
10 leave considered as earnings under this Section shall not be
11 taken into account in calculating service credit under Section
12 15-113.4.

13 (i) Intermittent periods of service shall be considered as
14 consecutive in determining final rate of earnings.

15 (Source: P.A. 96-1490, eff. 1-1-11.)

16 (40 ILCS 5/15-113.6) (from Ch. 108 1/2, par. 15-113.6)

17 Sec. 15-113.6. Service for employment in public schools.
18 "Service for employment in public schools": Includes those
19 periods not exceeding the lesser of 10 years or 2/3 of the
20 service granted under other Sections of this Article dealing
21 with service credit, during which a person who entered the
22 system after September 1, 1974 was employed full time by a
23 public common school, public college and public university, or
24 by an agency or instrumentality of any of the foregoing, of any
25 state, territory, dependency or possession of the United States

1 of America, including the Philippine Islands, or a school
2 operated by or under the auspices of any agency or department
3 of any other state, if the person (1) cannot qualify for a
4 retirement pension or other benefit based upon employer
5 contributions from another retirement system, exclusive of
6 federal social security, based in whole or in part upon this
7 employment, and (2) pays the lesser of (A) an amount equal to
8 8% of his or her annual basic compensation on the date of
9 becoming a participating employee subsequent to this service
10 multiplied by the number of years of such service, together
11 with compound interest from the date participation begins to
12 the date payment is received by the board at the rate of 6% per
13 annum through August 31, 1982, and at the effective rates after
14 that date, and (B) 50% of the actuarial value of the increase
15 in the retirement annuity provided by this service, and (3)
16 contributes for at least 5 years subsequent to this employment
17 to one or more of the following systems: the State Universities
18 Retirement System, the Teachers' Retirement System of the State
19 of Illinois, and the Public School Teachers' Pension and
20 Retirement Fund of Chicago.

21 The service granted under this Section shall not be
22 considered in determining whether the person has the minimum of
23 8 years of service required to qualify for a retirement annuity
24 at age 55 or the 5 years of service required to qualify for a
25 retirement annuity at age 62 or the 10 years of service
26 required to qualify for a retirement annuity at age 67, as

1 provided in Section 15-135, ~~or the 10 years required by~~
2 ~~subsection (c) of Section 1-160 for a person who first becomes~~
3 ~~a participant on or after January 1, 2011.~~ The maximum
4 allowable service of 10 years for this governmental employment
5 shall be reduced by the service credit which is validated under
6 paragraph (2) of subsection (b) of Section 16-127 and paragraph
7 1 of Section 17-133.

8 (Source: P.A. 95-83, eff. 8-13-07; 96-1490, eff. 1-1-11.)

9 (40 ILCS 5/15-134) (from Ch. 108 1/2, par. 15-134)

10 Sec. 15-134. Participant.

11 (a) Each person shall, as a condition of employment, become
12 a participant and be subject to this Article on the date that
13 he or she becomes an employee, makes an election to participate
14 in, or otherwise becomes a participant in one of the retirement
15 programs offered under this Article, whichever date is later.

16 An employee who becomes a participant shall continue to be
17 a participant until he or she becomes an annuitant, dies or
18 accepts a refund of contributions. ~~For purposes of subsection~~
19 ~~(f) of Section 1-160, the term "participant" shall include a~~
20 ~~person receiving a retirement annuity.~~

21 (b) A person employed concurrently by 2 or more employers
22 is eligible to participate in the system on compensation
23 received from all employers.

24 (Source: P.A. 96-1490, eff. 1-1-11.)

1 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

2 Sec. 15-135. Retirement annuities - Conditions.

3 (a) This subsection (a) applies only to a Tier 1 member. A
4 participant who retires in one of the following specified years
5 with the specified amount of service is entitled to a
6 retirement annuity at any age under the retirement program
7 applicable to the participant:

8 35 years if retirement is in 1997 or before;

9 34 years if retirement is in 1998;

10 33 years if retirement is in 1999;

11 32 years if retirement is in 2000;

12 31 years if retirement is in 2001;

13 30 years if retirement is in 2002 or later.

14 A participant with 8 or more years of service after
15 September 1, 1941, is entitled to a retirement annuity on or
16 after attainment of age 55.

17 A participant with at least 5 but less than 8 years of
18 service after September 1, 1941, is entitled to a retirement
19 annuity on or after attainment of age 62.

20 A participant who has at least 25 years of service in this
21 system as a police officer or firefighter is entitled to a
22 retirement annuity on or after the attainment of age 50, if
23 Rule 4 of Section 15-136 is applicable to the participant.

24 (a-5) A Tier 2 member is entitled to a retirement annuity
25 upon written application if he or she has attained age 67 and
26 has at least 10 years of service credit and is otherwise

1 eligible under the requirements of this Article. A Tier 2
2 member who has attained age 62 and has at least 10 years of
3 service credit and is otherwise eligible under the requirements
4 of this Article may elect to receive the lower retirement
5 annuity provided in subsection (b-5) of Section 15-136 of this
6 Article.

7 (b) The annuity payment period shall begin on the date
8 specified by the participant or the recipient of a disability
9 retirement annuity submitting a written application, which
10 date shall not be prior to termination of employment or more
11 than one year before the application is received by the board;
12 however, if the participant is not an employee of an employer
13 participating in this System or in a participating system as
14 defined in Article 20 of this Code on April 1 of the calendar
15 year next following the calendar year in which the participant
16 attains age 70 1/2, the annuity payment period shall begin on
17 that date regardless of whether an application has been filed.

18 (c) An annuity is not payable if the amount provided under
19 Section 15-136 is less than \$10 per month.

20 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

21 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

22 Sec. 15-136. Retirement annuities - Amount. The provisions
23 of this Section 15-136 apply only to those participants who are
24 participating in the traditional benefit package or the
25 portable benefit package and do not apply to participants who

1 are participating in the self-managed plan.

2 (a) The amount of a participant's retirement annuity,
3 expressed in the form of a single-life annuity, shall be
4 determined by whichever of the following rules is applicable
5 and provides the largest annuity:

6 Rule 1: The retirement annuity shall be 1.67% of final rate
7 of earnings for each of the first 10 years of service, 1.90%
8 for each of the next 10 years of service, 2.10% for each year
9 of service in excess of 20 but not exceeding 30, and 2.30% for
10 each year in excess of 30; or for persons who retire on or
11 after January 1, 1998, 2.2% of the final rate of earnings for
12 each year of service.

13 Rule 2: The retirement annuity shall be the sum of the
14 following, determined from amounts credited to the participant
15 in accordance with the actuarial tables and the effective rate
16 of interest in effect at the time the retirement annuity
17 begins:

18 (i) the normal annuity which can be provided on an
19 actuarially equivalent basis, by the accumulated normal
20 contributions as of the date the annuity begins;

21 (ii) an annuity from employer contributions of an
22 amount equal to that which can be provided on an
23 actuarially equivalent basis from the accumulated normal
24 contributions made by the participant under Section
25 15-113.6 and Section 15-113.7 plus 1.4 times all other
26 accumulated normal contributions made by the participant;

1 and

2 (iii) the annuity that can be provided on an
3 actuarially equivalent basis from the entire contribution
4 made by the participant under Section 15-113.3.

5 With respect to a police officer or firefighter who retires
6 on or after August 14, 1998, the accumulated normal
7 contributions taken into account under clauses (i) and (ii) of
8 this Rule 2 shall include the additional normal contributions
9 made by the police officer or firefighter under Section
10 15-157(a).

11 The amount of a retirement annuity calculated under this
12 Rule 2 shall be computed solely on the basis of the
13 participant's accumulated normal contributions, as specified
14 in this Rule and defined in Section 15-116. Neither an employee
15 or employer contribution for early retirement under Section
16 15-136.2 nor any other employer contribution shall be used in
17 the calculation of the amount of a retirement annuity under
18 this Rule 2.

19 This amendatory Act of the 91st General Assembly is a
20 clarification of existing law and applies to every participant
21 and annuitant without regard to whether status as an employee
22 terminates before the effective date of this amendatory Act.

23 This Rule 2 does not apply to a person who first becomes an
24 employee under this Article on or after July 1, 2005.

25 Rule 3: The retirement annuity of a participant who is
26 employed at least one-half time during the period on which his

1 or her final rate of earnings is based, shall be equal to the
2 participant's years of service not to exceed 30, multiplied by
3 (1) \$96 if the participant's final rate of earnings is less
4 than \$3,500, (2) \$108 if the final rate of earnings is at least
5 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
6 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
7 the final rate of earnings is at least \$5,500 but less than
8 \$6,500, (5) \$144 if the final rate of earnings is at least
9 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
10 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if
11 the final rate of earnings is at least \$8,500 but less than
12 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
13 more, except that the annuity for those persons having made an
14 election under Section 15-154(a-1) shall be calculated and
15 payable under the portable retirement benefit program pursuant
16 to the provisions of Section 15-136.4.

17 Rule 4: A participant who is at least age 50 and has 25 or
18 more years of service as a police officer or firefighter, and a
19 participant who is age 55 or over and has at least 20 but less
20 than 25 years of service as a police officer or firefighter,
21 shall be entitled to a retirement annuity of 2 1/4% of the
22 final rate of earnings for each of the first 10 years of
23 service as a police officer or firefighter, 2 1/2% for each of
24 the next 10 years of service as a police officer or
25 firefighter, and 2 3/4% for each year of service as a police
26 officer or firefighter in excess of 20. The retirement annuity

1 for all other service shall be computed under Rule 1.

2 For purposes of this Rule 4, a participant's service as a
3 firefighter shall also include the following:

4 (i) service that is performed while the person is an
5 employee under subsection (h) of Section 15-107; and

6 (ii) in the case of an individual who was a
7 participating employee employed in the fire department of
8 the University of Illinois's Champaign-Urbana campus
9 immediately prior to the elimination of that fire
10 department and who immediately after the elimination of
11 that fire department transferred to another job with the
12 University of Illinois, service performed as an employee of
13 the University of Illinois in a position other than police
14 officer or firefighter, from the date of that transfer
15 until the employee's next termination of service with the
16 University of Illinois.

17 ~~Rule 5: The retirement annuity of a participant who elected~~
18 ~~early retirement under the provisions of Section 15-136.2 and~~
19 ~~who, on or before February 16, 1995, brought administrative~~
20 ~~proceedings pursuant to the administrative rules adopted by the~~
21 ~~System to challenge the calculation of his or her retirement~~
22 ~~annuity shall be the sum of the following, determined from~~
23 ~~amounts credited to the participant in accordance with the~~
24 ~~actuarial tables and the prescribed rate of interest in effect~~
25 ~~at the time the retirement annuity begins:~~

26 ~~(i) the normal annuity which can be provided on an~~

1 ~~actuarially equivalent basis, by the accumulated normal~~
2 ~~contributions as of the date the annuity begins; and~~

3 ~~(ii) an annuity from employer contributions of an~~
4 ~~amount equal to that which can be provided on an~~
5 ~~actuarially equivalent basis from the accumulated normal~~
6 ~~contributions made by the participant under Section~~
7 ~~15 113.6 and Section 15 113.7 plus 1.4 times all other~~
8 ~~accumulated normal contributions made by the participant;~~
9 ~~and~~

10 ~~(iii) an annuity which can be provided on an~~
11 ~~actuarially equivalent basis from the employee~~
12 ~~contribution for early retirement under Section 15 136.2,~~
13 ~~and an annuity from employer contributions of an amount~~
14 ~~equal to that which can be provided on an actuarially~~
15 ~~equivalent basis from the employee contribution for early~~
16 ~~retirement under Section 15 136.2.~~

17 ~~In no event shall a retirement annuity under this Rule 5 be~~
18 ~~lower than the amount obtained by adding (1) the monthly amount~~
19 ~~obtained by dividing the combined employee and employer~~
20 ~~contributions made under Section 15 136.2 by the System's~~
21 ~~annuity factor for the age of the participant at the beginning~~
22 ~~of the annuity payment period and (2) the amount equal to the~~
23 ~~participant's annuity if calculated under Rule 1, reduced under~~
24 ~~Section 15 136(b) as if no contributions had been made under~~
25 ~~Section 15 136.2.~~

26 ~~With respect to a participant who is qualified for a~~

1 ~~retirement annuity under this Rule 5 whose retirement annuity~~
2 ~~began before the effective date of this amendatory Act of the~~
3 ~~91st General Assembly, and for whom an employee contribution~~
4 ~~was made under Section 15-136.2, the System shall recalculate~~
5 ~~the retirement annuity under this Rule 5 and shall pay any~~
6 ~~additional amounts due in the manner provided in Section~~
7 ~~15-186.1 for benefits mistakenly set too low.~~

8 ~~The amount of a retirement annuity calculated under this~~
9 ~~Rule 5 shall be computed solely on the basis of those~~
10 ~~contributions specifically set forth in this Rule 5. Except as~~
11 ~~provided in clause (iii) of this Rule 5, neither an employee~~
12 ~~nor employer contribution for early retirement under Section~~
13 ~~15-136.2, nor any other employer contribution, shall be used in~~
14 ~~the calculation of the amount of a retirement annuity under~~
15 ~~this Rule 5.~~

16 ~~The General Assembly has adopted the changes set forth in~~
17 ~~Section 25 of this amendatory Act of the 91st General Assembly~~
18 ~~in recognition that the decision of the Appellate Court for the~~
19 ~~Fourth District in Mattis v. State Universities Retirement~~
20 ~~System et al. might be deemed to give some right to the~~
21 ~~plaintiff in that case. The changes made by Section 25 of this~~
22 ~~amendatory Act of the 91st General Assembly are a legislative~~
23 ~~implementation of the decision of the Appellate Court for the~~
24 ~~Fourth District in Mattis v. State Universities Retirement~~
25 ~~System et al. with respect to that plaintiff.~~

26 ~~The changes made by Section 25 of this amendatory Act of~~

1 ~~the 91st General Assembly apply without regard to whether the~~
2 ~~person is in service as an employee on or after its effective~~
3 ~~date.~~

4 (b) For a Tier 1 member, the ~~The~~ retirement annuity
5 provided under Rules 1 and 3 above shall be reduced by 1/2 of
6 1% for each month the participant is under age 60 at the time
7 of retirement. However, this reduction shall not apply in the
8 following cases:

9 (1) For a disabled participant whose disability
10 benefits have been discontinued because he or she has
11 exhausted eligibility for disability benefits under clause
12 (6) of Section 15-152;

13 (2) For a participant who has at least the number of
14 years of service required to retire at any age under
15 subsection (a) of Section 15-135; or

16 (3) For that portion of a retirement annuity which has
17 been provided on account of service of the participant
18 during periods when he or she performed the duties of a
19 police officer or firefighter, if these duties were
20 performed for at least 5 years immediately preceding the
21 date the retirement annuity is to begin.

22 (b-5) The retirement annuity of a Tier 2 member who is
23 retiring after attaining age 62 with at least 10 years of
24 service credit shall be reduced by 1/2 of 1% for each full
25 month that the member's age is under age 67.

26 (c) The maximum retirement annuity provided under Rules 1,

1 2, 4, and 5 shall be the lesser of (1) the annual limit of
2 benefits as specified in Section 415 of the Internal Revenue
3 Code of 1986, as such Section may be amended from time to time
4 and as such benefit limits shall be adjusted by the
5 Commissioner of Internal Revenue, and (2) 80% of final rate of
6 earnings.

7 (d) A Tier 1 member ~~An annuitant~~ whose status as an
8 employee terminates after August 14, 1969 shall receive
9 automatic increases in his or her retirement annuity as
10 follows:

11 Effective January 1 immediately following the date the
12 retirement annuity begins, the annuitant shall receive an
13 increase in his or her monthly retirement annuity of 0.125% of
14 the monthly retirement annuity provided under Rule 1, Rule 2,
15 Rule 3, or Rule 4, ~~or Rule 5,~~ contained in this Section,
16 multiplied by the number of full months which elapsed from the
17 date the retirement annuity payments began to January 1, 1972,
18 plus 0.1667% of such annuity, multiplied by the number of full
19 months which elapsed from January 1, 1972, or the date the
20 retirement annuity payments began, whichever is later, to
21 January 1, 1978, plus 0.25% of such annuity multiplied by the
22 number of full months which elapsed from January 1, 1978, or
23 the date the retirement annuity payments began, whichever is
24 later, to the effective date of the increase.

25 The annuitant shall receive an increase in his or her
26 monthly retirement annuity on each January 1 thereafter during

1 the annuitant's life of 3% of the monthly annuity provided
2 under Rule 1, Rule 2, Rule 3, or Rule 4, ~~or Rule 5~~ contained in
3 this Section. The change made under this subsection by P.A.
4 81-970 is effective January 1, 1980 and applies to each
5 annuitant whose status as an employee terminates before or
6 after that date.

7 Beginning January 1, 1990, all automatic annual increases
8 payable under this Section shall be calculated as a percentage
9 of the total annuity payable at the time of the increase,
10 including all increases previously granted under this Article.

11 The change made in this subsection by P.A. 85-1008 is
12 effective January 26, 1988, and is applicable without regard to
13 whether status as an employee terminated before that date.

14 (d-5) A retirement annuity of a Tier 2 member shall receive
15 annual increases on the January 1 occurring either on or after
16 the attainment of age 67 or the first anniversary of the
17 annuity start date, whichever is later. Each annual increase
18 shall be calculated at 3% or one half the annual unadjusted
19 percentage increase (but not less than zero) in the consumer
20 price index-u for the 12 months ending with the September
21 preceding each November 1, whichever is less, of the originally
22 granted retirement annuity. If the annual unadjusted
23 percentage change in the consumer price index-u for the 12
24 months ending with the September preceding each November 1 is
25 zero or there is a decrease, then the annuity shall not be
26 increased.

1 (e) If, on January 1, 1987, or the date the retirement
2 annuity payment period begins, whichever is later, the sum of
3 the retirement annuity provided under Rule 1 or Rule 2 of this
4 Section and the automatic annual increases provided under the
5 preceding subsection or Section 15-136.1, amounts to less than
6 the retirement annuity which would be provided by Rule 3, the
7 retirement annuity shall be increased as of January 1, 1987, or
8 the date the retirement annuity payment period begins,
9 whichever is later, to the amount which would be provided by
10 Rule 3 of this Section. Such increased amount shall be
11 considered as the retirement annuity in determining benefits
12 provided under other Sections of this Article. This paragraph
13 applies without regard to whether status as an employee
14 terminated before the effective date of this amendatory Act of
15 1987, provided that the annuitant was employed at least
16 one-half time during the period on which the final rate of
17 earnings was based.

18 (f) A participant is entitled to such additional annuity as
19 may be provided on an actuarially equivalent basis, by any
20 accumulated additional contributions to his or her credit.
21 However, the additional contributions made by the participant
22 toward the automatic increases in annuity provided under this
23 Section shall not be taken into account in determining the
24 amount of such additional annuity.

25 (g) If, (1) by law, a function of a governmental unit, as
26 defined by Section 20-107 of this Code, is transferred in whole

1 or in part to an employer, and (2) a participant transfers
2 employment from such governmental unit to such employer within
3 6 months after the transfer of the function, and (3) the sum of
4 (A) the annuity payable to the participant under Rule 1, 2, or
5 3 of this Section (B) all proportional annuities payable to the
6 participant by all other retirement systems covered by Article
7 20, and (C) the initial primary insurance amount to which the
8 participant is entitled under the Social Security Act, is less
9 than the retirement annuity which would have been payable if
10 all of the participant's pension credits validated under
11 Section 20-109 had been validated under this system, a
12 supplemental annuity equal to the difference in such amounts
13 shall be payable to the participant.

14 (h) On January 1, 1981, an annuitant who was receiving a
15 retirement annuity on or before January 1, 1971 shall have his
16 or her retirement annuity then being paid increased \$1 per
17 month for each year of creditable service. On January 1, 1982,
18 an annuitant whose retirement annuity began on or before
19 January 1, 1977, shall have his or her retirement annuity then
20 being paid increased \$1 per month for each year of creditable
21 service.

22 (i) On January 1, 1987, any annuitant whose retirement
23 annuity began on or before January 1, 1977, shall have the
24 monthly retirement annuity increased by an amount equal to 8¢
25 per year of creditable service times the number of years that
26 have elapsed since the annuity began.

1 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

2 (40 ILCS 5/15-136.3)

3 Sec. 15-136.3. Minimum retirement annuity.

4 (a) Beginning January 1, 1997, any person who is receiving
5 a monthly retirement annuity under this Article which, after
6 inclusion of (1) all one-time and automatic annual increases to
7 which the person is entitled, (2) any supplemental annuity
8 payable under Section 15-136.1, and (3) any amount deducted
9 under Section 15-138 or 15-140 to provide a reversionary
10 annuity, is less than the minimum monthly retirement benefit
11 amount specified in subsection (b) of this Section, shall be
12 entitled to a monthly supplemental payment equal to the
13 difference.

14 (b) For purposes of the calculation in subsection (a), the
15 minimum monthly retirement benefit amount is the sum of \$25 for
16 each year of service credit, up to a maximum of 30 years of
17 service.

18 (c) This Section applies to all persons receiving a
19 retirement annuity under this Article, without regard to
20 whether or not employment terminated prior to the effective
21 date of this Section. ~~The annual increase provided in~~
22 ~~subsection (e) of Section 1-160 does not apply to any benefit~~
23 ~~provided under this Section.~~

24 (Source: P.A. 96-1490, eff. 1-1-11.)

1 (40 ILCS 5/15-139) (from Ch. 108 1/2, par. 15-139)

2 Sec. 15-139. Retirement annuities; cancellation; suspended
3 during employment.

4 (a) If an annuitant returns to employment for an employer
5 within 60 days after the beginning of the retirement annuity
6 payment period, the retirement annuity shall be cancelled, and
7 the annuitant shall refund to the System the total amount of
8 the retirement annuity payments which he or she received. If
9 the retirement annuity is cancelled, the participant shall
10 continue to participate in the System.

11 (b) If an annuitant retires prior to age 60 and receives or
12 becomes entitled to receive during any month compensation in
13 excess of the monthly retirement annuity (including any
14 automatic annual increases) for services performed after the
15 date of retirement for any employer under this System, that
16 portion of the monthly retirement annuity provided by employer
17 contributions shall not be payable.

18 If an annuitant retires at age 60 or over and receives or
19 becomes entitled to receive during any academic year
20 compensation in excess of the difference between his or her
21 highest annual earnings prior to retirement and his or her
22 annual retirement annuity computed under Rule 1, Rule 2, Rule
23 3, or Rule 4, ~~or Rule 5~~ of Section 15-136, or under Section
24 15-136.4, for services performed after the date of retirement
25 for any employer under this System, that portion of the monthly
26 retirement annuity provided by employer contributions shall be

1 reduced by an amount equal to the compensation that exceeds
2 such difference.

3 However, any remuneration received for serving as a member
4 of the Illinois Educational Labor Relations Board shall be
5 excluded from "compensation" for the purposes of this
6 subsection (b), and serving as a member of the Illinois
7 Educational Labor Relations Board shall not be deemed to be a
8 return to employment for the purposes of this Section. This
9 provision applies without regard to whether service was
10 terminated prior to the effective date of this amendatory Act
11 of 1991.

12 (c) If an employer certifies that an annuitant has been
13 reemployed on a permanent and continuous basis or in a position
14 in which the annuitant is expected to serve for at least 9
15 months, the annuitant shall resume his or her status as a
16 participating employee and shall be entitled to all rights
17 applicable to participating employees upon filing with the
18 board an election to forgo all annuity payments during the
19 period of reemployment. Upon subsequent retirement, the
20 retirement annuity shall consist of the annuity which was
21 terminated by the reemployment, plus the additional retirement
22 annuity based upon service granted during the period of
23 reemployment, but the combined retirement annuity shall not
24 exceed the maximum annuity applicable on the date of the last
25 retirement.

26 The total service and earnings credited before and after

1 the initial date of retirement shall be considered in
2 determining eligibility of the employee or the employee's
3 beneficiary to benefits under this Article, and in calculating
4 final rate of earnings.

5 In determining the death benefit payable to a beneficiary
6 of an annuitant who again becomes a participating employee
7 under this Section, accumulated normal and additional
8 contributions shall be considered as the sum of the accumulated
9 normal and additional contributions at the date of initial
10 retirement and the accumulated normal and additional
11 contributions credited after that date, less the sum of the
12 annuity payments received by the annuitant.

13 The survivors insurance benefits provided under Section
14 15-145 shall not be applicable to an annuitant who resumes his
15 or her status as a participating employee, unless the
16 annuitant, at the time of initial retirement, has a survivors
17 insurance beneficiary who could qualify for such benefits.

18 If the participant's employment is terminated because of
19 circumstances other than death before 9 months from the date of
20 reemployment, the provisions of this Section regarding
21 resumption of status as a participating employee shall not
22 apply. The normal and survivors insurance contributions which
23 are deducted during this period shall be refunded to the
24 annuitant without interest, and subsequent benefits under this
25 Article shall be the same as those which were applicable prior
26 to the date the annuitant resumed employment.

1 The amendments made to this Section by this amendatory Act
2 of the 91st General Assembly apply without regard to whether
3 the annuitant was in service on or after the effective date of
4 this amendatory Act.

5 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

6 (40 ILCS 5/15-139.1 new)

7 Sec. 15-139.1. Tier 2 member retirement annuities;
8 suspended during employment. If a Tier 2 member is receiving a
9 retirement annuity under this System and becomes a member or
10 participant under any other system or fund created by this Code
11 and is employed on a full-time basis, then the person's
12 retirement annuity shall be suspended during that employment.
13 Upon termination of that employment, the person's retirement
14 annuity shall resume and be recalculated if recalculation is
15 provided for under this Article.

16 (40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

17 Sec. 15-145. Survivors insurance benefits; conditions and
18 amounts.

19 (a) The survivors insurance benefits provided under this
20 Section shall be payable to the eligible survivors of a Tier 1
21 member participant covered under the traditional benefit
22 package upon the death of (1) a participating employee with at
23 least 1 1/2 years of service, (2) a participant who terminated
24 employment with at least 10 years of service, and (3) an

1 annuitant in receipt of a retirement annuity or disability
2 retirement annuity under this Article.

3 Service under the State Employees' Retirement System of
4 Illinois, the Teachers' Retirement System of the State of
5 Illinois and the Public School Teachers' Pension and Retirement
6 Fund of Chicago shall be considered in determining eligibility
7 for survivors benefits under this Section.

8 If by law, a function of a governmental unit, as defined by
9 Section 20-107, is transferred in whole or in part to an
10 employer, and an employee transfers employment from this
11 governmental unit to such employer within 6 months after the
12 transfer of this function, the service credits in the
13 governmental unit's retirement system which have been
14 validated under Section 20-109 shall be considered in
15 determining eligibility for survivors benefits under this
16 Section.

17 (b) A surviving spouse of a deceased participant, or of a
18 deceased annuitant who did not take a refund or additional
19 annuity consisting of accumulated survivors insurance
20 contributions, shall receive a survivors annuity of 30% of the
21 final rate of earnings. Payments shall begin on the day
22 following the participant's or annuitant's death or the date
23 the surviving spouse attains age 50, whichever is later, and
24 continue until the death of the surviving spouse. The annuity
25 shall be payable to the surviving spouse prior to attainment of
26 age 50 if the surviving spouse has in his or her care a

1 deceased participant's or annuitant's dependent unmarried
2 child under age 18 (under age 22 if a full-time student) who is
3 eligible for a survivors annuity.

4 Remarriage of a surviving spouse prior to attainment of age
5 55 that occurs before the effective date of this amendatory Act
6 of the 91st General Assembly shall disqualify him or her for
7 the receipt of a survivors annuity until July 6, 2000.

8 A surviving spouse whose survivors annuity has been
9 terminated due to remarriage may apply for reinstatement of
10 that annuity. The reinstated annuity shall begin to accrue on
11 July 6, 2000, except that if, on July 6, 2000, the annuity is
12 payable to an eligible surviving child or parent, payment of
13 the annuity to the surviving spouse shall not be reinstated
14 until the annuity is no longer payable to any eligible
15 surviving child or parent. The reinstated annuity shall include
16 any one-time or annual increases received prior to the date of
17 termination, as well as any increases that would otherwise have
18 accrued from the date of termination to the date of
19 reinstatement. An eligible surviving spouse whose expectation
20 of receiving a survivors annuity was lost due to remarriage
21 before attainment of age 50 shall also be entitled to
22 reinstatement under this subsection, but the resulting
23 survivors annuity shall not begin to accrue sooner than upon
24 the surviving spouse's attainment of age 50.

25 The changes made to this subsection by this amendatory Act
26 of the 92nd General Assembly (pertaining to remarriage prior to

1 age 55 or 50) apply without regard to whether the deceased
2 participant or annuitant was in service on or after the
3 effective date of this amendatory Act.

4 (c) Each dependent unmarried child under age 18 (under age
5 22 if a full-time student) of a deceased participant, or of a
6 deceased annuitant who did not take a refund or additional
7 annuity consisting of accumulated survivors insurance
8 contributions, shall receive a survivors annuity equal to the
9 sum of (1) 20% of the final rate of earnings, and (2) 10% of the
10 final rate of earnings divided by the number of children
11 entitled to this benefit. Payments shall begin on the day
12 following the participant's or annuitant's death and continue
13 until the child marries, dies, or attains age 18 (age 22 if a
14 full-time student). If the child is in the care of a surviving
15 spouse who is eligible for survivors insurance benefits, the
16 child's benefit shall be paid to the surviving spouse.

17 Each unmarried child over age 18 of a deceased participant
18 or of a deceased annuitant who had a survivor's insurance
19 beneficiary at the time of his or her retirement, and who was
20 dependent upon the participant or annuitant by reason of a
21 physical or mental disability which began prior to the date the
22 child attained age 18 (age 22 if a full-time student), shall
23 receive a survivor's annuity equal to the sum of (1) 20% of the
24 final rate of earnings, and (2) 10% of the final rate of
25 earnings divided by the number of children entitled to
26 survivors benefits. Payments shall begin on the day following

1 the participant's or annuitant's death and continue until the
2 child marries, dies, or is no longer disabled. If the child is
3 in the care of a surviving spouse who is eligible for survivors
4 insurance benefits, the child's benefit may be paid to the
5 surviving spouse. For the purposes of this Section, disability
6 means inability to engage in any substantial gainful activity
7 by reason of any medically determinable physical or mental
8 impairment that can be expected to result in death or that has
9 lasted or can be expected to last for a continuous period of at
10 least one year.

11 (d) Each dependent parent of a deceased participant, or of
12 a deceased annuitant who did not take a refund or additional
13 annuity consisting of accumulated survivors insurance
14 contributions, shall receive a survivors annuity equal to the
15 sum of (1) 20% of final rate of earnings, and (2) 10% of final
16 rate of earnings divided by the number of parents who qualify
17 for the benefit. Payments shall begin when the parent reaches
18 age 55 or the day following the participant's or annuitant's
19 death, whichever is later, and continue until the parent dies.
20 Remarriage of a parent prior to attainment of age 55 shall
21 disqualify the parent for the receipt of a survivors annuity.

22 (e) In addition to the survivors annuity provided above,
23 each survivors insurance beneficiary shall, upon death of the
24 participant or annuitant, receive a lump sum payment of \$1,000
25 divided by the number of such beneficiaries.

26 (f) The changes made in this Section by Public Act 81-712

1 pertaining to survivors annuities in cases of remarriage prior
2 to age 55 shall apply to each survivors insurance beneficiary
3 who remarries after June 30, 1979, regardless of the date that
4 the participant or annuitant terminated his employment or died.

5 The change made to this Section by this amendatory Act of
6 the 91st General Assembly, pertaining to remarriage prior to
7 age 55, applies without regard to whether the deceased
8 participant or annuitant was in service on or after the
9 effective date of this amendatory Act of the 91st General
10 Assembly.

11 (g) On January 1, 1981, any person who was receiving a
12 survivors annuity on or before January 1, 1971 shall have the
13 survivors annuity then being paid increased by 1% for each full
14 year which has elapsed from the date the annuity began. On
15 January 1, 1982, any survivor whose annuity began after January
16 1, 1971, but before January 1, 1981, shall have the survivor's
17 annuity then being paid increased by 1% for each year which has
18 elapsed from the date the survivor's annuity began. On January
19 1, 1987, any survivor who began receiving a survivor's annuity
20 on or before January 1, 1977, shall have the monthly survivor's
21 annuity increased by \$1 for each full year which has elapsed
22 since the date the survivor's annuity began.

23 (h) If the sum of the lump sum and total monthly survivor
24 benefits payable under this Section upon the death of a
25 participant amounts to less than the sum of the death benefits
26 payable under items (2) and (3) of Section 15-141, the

1 difference shall be paid in a lump sum to the beneficiary of
2 the participant who is living on the date that this additional
3 amount becomes payable.

4 (i) If the sum of the lump sum and total monthly survivor
5 benefits payable under this Section upon the death of an
6 annuitant receiving a retirement annuity or disability
7 retirement annuity amounts to less than the death benefit
8 payable under Section 15-142, the difference shall be paid to
9 the beneficiary of the annuitant who is living on the date that
10 this additional amount becomes payable.

11 (j) Effective on the later of (1) January 1, 1990, or (2)
12 the January 1 on or next after the date on which the survivor
13 annuity begins, if the deceased member died while receiving a
14 retirement annuity, or in all other cases the January 1 nearest
15 the first anniversary of the date the survivor annuity payments
16 begin, every survivors insurance beneficiary shall receive an
17 increase in his or her monthly survivors annuity of 3%. On each
18 January 1 after the initial increase, the monthly survivors
19 annuity shall be increased by 3% of the total survivors annuity
20 provided under this Article, including previous increases
21 provided by this subsection. Such increases shall apply to the
22 survivors insurance beneficiaries of each participant and
23 annuitant, whether or not the employment status of the
24 participant or annuitant terminates before the effective date
25 of this amendatory Act of 1990. This subsection (j) also
26 applies to persons receiving a survivor annuity under the

1 portable benefit package.

2 (k) If the Internal Revenue Code of 1986, as amended,
3 requires that the survivors benefits be payable at an age
4 earlier than that specified in this Section the benefits shall
5 begin at the earlier age, in which event, the survivor's
6 beneficiary shall be entitled only to that amount which is
7 equal to the actuarial equivalent of the benefits provided by
8 this Section.

9 (l) The changes made to this Section and Section 15-131 by
10 this amendatory Act of 1997, relating to benefits for certain
11 unmarried children who are full-time students under age 22,
12 apply without regard to whether the deceased member was in
13 service on or after the effective date of this amendatory Act
14 of 1997. These changes do not authorize the repayment of a
15 refund or a re-election of benefits, and any benefit or
16 increase in benefits resulting from these changes is not
17 payable retroactively for any period before the effective date
18 of this amendatory Act of 1997.

19 (Source: P.A. 91-887, eff. 7-6-00; 92-749, eff. 8-2-02.)

20 (40 ILCS 5/15-145.1 new)

21 Sec. 15-145.1. Survivor's insurance benefits for Tier 2
22 Members; amount. The initial survivor's insurance benefit of a
23 survivors insurance beneficiary of a Tier 2 member shall be in
24 the amount of 66 2/3% of the Tier 2 member's retirement annuity
25 at the date of death. In the case of the death of a Tier 2

1 member who has not retired, eligibility for a survivor's
2 insurance benefit shall be determined by the applicable Section
3 of this Article. The initial benefit shall be 66 2/3% of the
4 earned annuity without a reduction due to age. Any survivor's
5 insurance benefit shall be increased (1) on each January 1
6 occurring on or after the commencement of the annuity if the
7 deceased Tier 1 member died while receiving a retirement
8 annuity or (2) in other cases, on each January 1 occurring
9 after the first anniversary of the commencement of the benefit.
10 Each annual increase shall be calculated at 3% or one half the
11 annual unadjusted percentage increase (but not less than zero)
12 in the consumer price index-u for the 12 months ending with the
13 September preceding each November 1, whichever is less, of the
14 originally granted survivor's insurance benefit. If the annual
15 unadjusted percentage change in the consumer price index-u for
16 the 12 months ending with the September preceding each November
17 1 is zero or there is a decrease, then the survivor's insurance
18 benefit shall not be increased. A beneficiary of a Tier 2
19 member who elects the Portable Benefit Package provided under
20 this Article shall not be eligible for the survivor's insurance
21 benefit that is provided under this Section. If 2 or more
22 persons are eligible to receive survivor's insurance benefits
23 as provided under this Section based on the same deceased Tier
24 2 member, the calculation of the survivor's insurance benefits
25 shall be based on the total calculation of the survivor's
26 insurance benefit and divided pro rata.

1 (40 ILCS 5/15-146) (from Ch. 108 1/2, par. 15-146)
2 Sec. 15-146. Survivors insurance benefits - Minimum
3 amounts.

4 (a) The minimum total survivors annuity payable on account
5 of the death of a participant shall be 50% of the retirement
6 annuity which would have been provided under Rule 1, Rule 2, or
7 Rule 3, ~~or Rule 5~~ of Section 15-136 upon the participant's
8 attainment of the minimum age at which the penalty for early
9 retirement would not be applicable or the date of the
10 participant's death, whichever is later, on the basis of
11 credits earned prior to the time of death.

12 (b) The minimum total survivors annuity payable on account
13 of the death of an annuitant shall be 50% of the retirement
14 annuity which is payable under Section 15-136 at the time of
15 death or 50% of the disability retirement annuity payable under
16 Section 15-153.2. This minimum survivors annuity shall apply to
17 each participant and annuitant who dies after September 16,
18 1979, whether or not his or her employee status terminates
19 before or after that date.

20 (c) If an annuitant has elected a reversionary annuity, the
21 retirement annuity referred to in this Section is that which
22 would have been payable had such election not been filed.

23 (d) Beginning January 1, 2002, any person who is receiving
24 a survivors annuity under this Article which, after inclusion
25 of all one-time and automatic annual increases to which the

1 person is entitled, is less than the sum of \$17.50 for each
2 year (up to a maximum of 30 years) of the deceased member's
3 service credit, shall be entitled to a monthly supplemental
4 payment equal to the difference.

5 If 2 or more persons are receiving survivors annuities
6 based on the same deceased member, the calculation of the
7 supplemental payment under this subsection shall be based on
8 the total of those annuities and divided pro rata. The
9 supplemental payment is not subject to any limitation on the
10 maximum amount of the annuity and shall not be included in the
11 calculation of any automatic annual increase under Section
12 15-145. ~~The annual increase provided in subsection (f) of~~
13 ~~Section 1-160 does not apply to any benefit provided under this~~
14 ~~subsection.~~

15 (Source: P.A. 96-1490, eff. 1-1-11.)

16 (40 ILCS 5/15-146.1) (from Ch. 108 1/2, par. 15-146.1)

17 Sec. 15-146.1. Survivors insurance benefits-Maximum
18 amounts.

19 (a) The maximum total survivors annuity payable on account
20 of any deceased participating employee shall be the lesser of:
21 (1) 80% of the final rate of earnings; or (2) (A) \$400 per
22 month if one survivors insurance beneficiary is entitled to a
23 survivors annuity, or (B) \$600 per month if there are 2 or more
24 such beneficiaries.

25 (b) The maximum total survivors annuity payable on account

1 of the death of any person occurring after retirement or after
2 termination of his or her employee status shall be the lesser
3 of: (1) 80% of the final rate of earnings; (2) (A) \$400 per
4 month if one survivors insurance beneficiary is entitled to a
5 survivors annuity, or (B) \$600 per month if there are 2 or more
6 such beneficiaries; or (3) 80% of the retirement annuity
7 payable to the annuitant at the date of retirement under the
8 provisions of Rule 1, Rule 2, Rule 3, or ~~Rule 5~~ of Section
9 15-136, or 80% of the retirement annuity which would have been
10 payable to the participant upon attainment of the minimum age
11 at which the penalty for early retirement would not be
12 applicable or the date of death, whichever is later, based upon
13 credits earned as of the date of death.

14 (c) The maximum total survivors annuity payable on account
15 of the death of any person whose death occurs while in receipt
16 of a disability retirement annuity under Section 15-153.2 shall
17 be the lesser of (1) 80% of his or her final rate of earnings,
18 (2) (A) \$400 per month if one survivors insurance beneficiary
19 is entitled to a survivors annuity, or (B) \$600 per month if 2
20 or more survivors insurance beneficiaries qualify for this
21 benefit, or (3) 80% of the retirement annuity which would have
22 been payable upon attainment of the age at which the penalty
23 for early retirement would not be applicable or the date of
24 death, whichever is later, based upon the participant's credits
25 on the date of death, or 80% of the disability retirement
26 annuity whichever is greater.

1 (d) If the minimum annuity provided under Section 15-146
2 exceeds the maximum annuity provided under this Section, the
3 minimum annuity shall be payable.

4 (e) If an annuitant has elected a reversionary annuity, the
5 retirement annuity referred to in this Section is that which
6 would have been payable had such election not been filed.

7 (f) If a survivors insurance beneficiary qualifies for a
8 survivors or widows annuity because of pension credits
9 established by the participant or annuitant in another system
10 covered by Article 20, and the combined survivors annuities
11 exceed the highest survivors annuity which could be provided by
12 either system based upon the combined pension credits, the
13 survivors annuity payable by this system shall be reduced to
14 that amount which, when added to the survivors annuity payable
15 by the other system, would equal this highest survivors
16 annuity. If the other system has a similar provision for
17 adjustment of the survivors annuity, the respective
18 proportional survivors annuities shall be reduced
19 proportionately according to the ratio which the amount of each
20 proportional survivors annuity bears to the aggregate of all
21 proportional survivors annuities. If a survivors annuity is
22 payable by another system covered by Article 20, and the
23 survivor elects to waive the survivors annuity and accept a
24 lump sum payment or death benefit in lieu of the survivors
25 annuity, this system shall, for the purpose of adjusting the
26 survivors annuity under this subsection, assume that the

1 survivor was entitled to a survivors annuity which, in
2 accordance with actuarial tables of this system, is the
3 actuarial equivalent of the amount of the lump sum payment or
4 death benefit.

5 (g) The total monthly survivors annuity payable to the
6 beneficiaries of any annuitant who terminated employment
7 before July 14, 1959 and whose death occurs after September 16,
8 1977 shall not exceed \$200.

9 (h) Whenever a reduction in the survivors annuity is made
10 as authorized above, the survivors annuity to each dependent
11 parent shall be proportionately reduced or eliminated, and if
12 further reduction is necessary, the survivors annuity payable
13 to every other person shall be proportionately decreased.

14 (i) This Section applies to the survivors insurance
15 benefits provided to the eligible survivors of a Tier 1 member.

16 (Source: P.A. 91-887, eff. 7-6-00.)

17 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

18 Sec. 15-155. Employer contributions.

19 (a) The State of Illinois shall make contributions by
20 appropriations of amounts which, together with the other
21 employer contributions from trust, federal, and other funds,
22 employee contributions, income from investments, and other
23 income of this System, will be sufficient to meet the cost of
24 maintaining and administering the System on a 90% funded basis
25 in accordance with actuarial recommendations.

1 The Board shall determine the amount of State contributions
2 required for each fiscal year on the basis of the actuarial
3 tables and other assumptions adopted by the Board and the
4 recommendations of the actuary, using the formula in subsection
5 (a-1).

6 (a-1) For State fiscal years 2012 through 2045, the minimum
7 contribution to the System to be made by the State for each
8 fiscal year shall be an amount determined by the System to be
9 sufficient to bring the total assets of the System up to 90% of
10 the total actuarial liabilities of the System by the end of
11 State fiscal year 2045. In making these determinations, the
12 required State contribution shall be calculated each year as a
13 level percentage of payroll over the years remaining to and
14 including fiscal year 2045 and shall be determined under the
15 projected unit credit actuarial cost method.

16 For State fiscal years 1996 through 2005, the State
17 contribution to the System, as a percentage of the applicable
18 employee payroll, shall be increased in equal annual increments
19 so that by State fiscal year 2011, the State is contributing at
20 the rate required under this Section.

21 Notwithstanding any other provision of this Article, the
22 total required State contribution for State fiscal year 2006 is
23 \$166,641,900.

24 Notwithstanding any other provision of this Article, the
25 total required State contribution for State fiscal year 2007 is
26 \$252,064,100.

1 For each of State fiscal years 2008 through 2009, the State
2 contribution to the System, as a percentage of the applicable
3 employee payroll, shall be increased in equal annual increments
4 from the required State contribution for State fiscal year
5 2007, so that by State fiscal year 2011, the State is
6 contributing at the rate otherwise required under this Section.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2010 is
9 \$702,514,000 and shall be made from the State Pensions Fund and
10 proceeds of bonds sold in fiscal year 2010 pursuant to Section
11 7.2 of the General Obligation Bond Act, less (i) the pro rata
12 share of bond sale expenses determined by the System's share of
13 total bond proceeds, (ii) any amounts received from the General
14 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
15 proceeds due to the issuance of discounted bonds, if
16 applicable.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2011 is
19 the amount recertified by the System on or before April 1, 2011
20 pursuant to Section 15-165 and shall be made from the State
21 Pensions Fund and proceeds of bonds sold in fiscal year 2011
22 pursuant to Section 7.2 of the General Obligation Bond Act,
23 less (i) the pro rata share of bond sale expenses determined by
24 the System's share of total bond proceeds, (ii) any amounts
25 received from the General Revenue Fund in fiscal year 2011, and
26 (iii) any reduction in bond proceeds due to the issuance of

1 discounted bonds, if applicable.

2 Beginning in State fiscal year 2046, the minimum State
3 contribution for each fiscal year shall be the amount needed to
4 maintain the total assets of the System at 90% of the total
5 actuarial liabilities of the System.

6 Amounts received by the System pursuant to Section 25 of
7 the Budget Stabilization Act or Section 8.12 of the State
8 Finance Act in any fiscal year do not reduce and do not
9 constitute payment of any portion of the minimum State
10 contribution required under this Article in that fiscal year.
11 Such amounts shall not reduce, and shall not be included in the
12 calculation of, the required State contributions under this
13 Article in any future year until the System has reached a
14 funding ratio of at least 90%. A reference in this Article to
15 the "required State contribution" or any substantially similar
16 term does not include or apply to any amounts payable to the
17 System under Section 25 of the Budget Stabilization Act.

18 Notwithstanding any other provision of this Section, the
19 required State contribution for State fiscal year 2005 and for
20 fiscal year 2008 and each fiscal year thereafter, as calculated
21 under this Section and certified under Section 15-165, shall
22 not exceed an amount equal to (i) the amount of the required
23 State contribution that would have been calculated under this
24 Section for that fiscal year if the System had not received any
25 payments under subsection (d) of Section 7.2 of the General
26 Obligation Bond Act, minus (ii) the portion of the State's

1 total debt service payments for that fiscal year on the bonds
2 issued in fiscal year 2003 for the purposes of that Section
3 7.2, as determined and certified by the Comptroller, that is
4 the same as the System's portion of the total moneys
5 distributed under subsection (d) of Section 7.2 of the General
6 Obligation Bond Act. In determining this maximum for State
7 fiscal years 2008 through 2010, however, the amount referred to
8 in item (i) shall be increased, as a percentage of the
9 applicable employee payroll, in equal increments calculated
10 from the sum of the required State contribution for State
11 fiscal year 2007 plus the applicable portion of the State's
12 total debt service payments for fiscal year 2007 on the bonds
13 issued in fiscal year 2003 for the purposes of Section 7.2 of
14 the General Obligation Bond Act, so that, by State fiscal year
15 2011, the State is contributing at the rate otherwise required
16 under this Section.

17 (b) If an employee is paid from trust or federal funds, the
18 employer shall pay to the Board contributions from those funds
19 which are sufficient to cover the accruing normal costs on
20 behalf of the employee. However, universities having employees
21 who are compensated out of local auxiliary funds, income funds,
22 or service enterprise funds are not required to pay such
23 contributions on behalf of those employees. The local auxiliary
24 funds, income funds, and service enterprise funds of
25 universities shall not be considered trust funds for the
26 purpose of this Article, but funds of alumni associations,

1 foundations, and athletic associations which are affiliated
2 with the universities included as employers under this Article
3 and other employers which do not receive State appropriations
4 are considered to be trust funds for the purpose of this
5 Article.

6 (b-1) The City of Urbana and the City of Champaign shall
7 each make employer contributions to this System for their
8 respective firefighter employees who participate in this
9 System pursuant to subsection (h) of Section 15-107. The rate
10 of contributions to be made by those municipalities shall be
11 determined annually by the Board on the basis of the actuarial
12 assumptions adopted by the Board and the recommendations of the
13 actuary, and shall be expressed as a percentage of salary for
14 each such employee. The Board shall certify the rate to the
15 affected municipalities as soon as may be practical. The
16 employer contributions required under this subsection shall be
17 remitted by the municipality to the System at the same time and
18 in the same manner as employee contributions.

19 (c) Through State fiscal year 1995: The total employer
20 contribution shall be apportioned among the various funds of
21 the State and other employers, whether trust, federal, or other
22 funds, in accordance with actuarial procedures approved by the
23 Board. State of Illinois contributions for employers receiving
24 State appropriations for personal services shall be payable
25 from appropriations made to the employers or to the System. The
26 contributions for Class I community colleges covering earnings

1 other than those paid from trust and federal funds, shall be
2 payable solely from appropriations to the Illinois Community
3 College Board or the System for employer contributions.

4 (d) Beginning in State fiscal year 1996, the required State
5 contributions to the System shall be appropriated directly to
6 the System and shall be payable through vouchers issued in
7 accordance with subsection (c) of Section 15-165, except as
8 provided in subsection (g).

9 (e) The State Comptroller shall draw warrants payable to
10 the System upon proper certification by the System or by the
11 employer in accordance with the appropriation laws and this
12 Code.

13 (f) Normal costs under this Section means liability for
14 pensions and other benefits which accrues to the System because
15 of the credits earned for service rendered by the participants
16 during the fiscal year and expenses of administering the
17 System, but shall not include the principal of or any
18 redemption premium or interest on any bonds issued by the Board
19 or any expenses incurred or deposits required in connection
20 therewith.

21 (g) If the amount of a participant's earnings for any
22 academic year used to determine the final rate of earnings,
23 determined on a full-time equivalent basis, exceeds the amount
24 of his or her earnings with the same employer for the previous
25 academic year, determined on a full-time equivalent basis, by
26 more than 6%, the participant's employer shall pay to the

1 System, in addition to all other payments required under this
2 Section and in accordance with guidelines established by the
3 System, the present value of the increase in benefits resulting
4 from the portion of the increase in earnings that is in excess
5 of 6%. This present value shall be computed by the System on
6 the basis of the actuarial assumptions and tables used in the
7 most recent actuarial valuation of the System that is available
8 at the time of the computation. The System may require the
9 employer to provide any pertinent information or
10 documentation.

11 Whenever it determines that a payment is or may be required
12 under this subsection (g), the System shall calculate the
13 amount of the payment and bill the employer for that amount.
14 The bill shall specify the calculations used to determine the
15 amount due. If the employer disputes the amount of the bill, it
16 may, within 30 days after receipt of the bill, apply to the
17 System in writing for a recalculation. The application must
18 specify in detail the grounds of the dispute and, if the
19 employer asserts that the calculation is subject to subsection
20 (h) or (i) of this Section, must include an affidavit setting
21 forth and attesting to all facts within the employer's
22 knowledge that are pertinent to the applicability of subsection
23 (h) or (i). Upon receiving a timely application for
24 recalculation, the System shall review the application and, if
25 appropriate, recalculate the amount due.

26 The employer contributions required under this subsection

1 (g) ~~(f)~~ may be paid in the form of a lump sum within 90 days
2 after receipt of the bill. If the employer contributions are
3 not paid within 90 days after receipt of the bill, then
4 interest will be charged at a rate equal to the System's annual
5 actuarially assumed rate of return on investment compounded
6 annually from the 91st day after receipt of the bill. Payments
7 must be concluded within 3 years after the employer's receipt
8 of the bill.

9 (h) This subsection (h) applies only to payments made or
10 salary increases given on or after June 1, 2005 but before July
11 1, 2011. The changes made by Public Act 94-1057 shall not
12 require the System to refund any payments received before July
13 31, 2006 (the effective date of Public Act 94-1057).

14 When assessing payment for any amount due under subsection
15 (g), the System shall exclude earnings increases paid to
16 participants under contracts or collective bargaining
17 agreements entered into, amended, or renewed before June 1,
18 2005.

19 When assessing payment for any amount due under subsection
20 (g), the System shall exclude earnings increases paid to a
21 participant at a time when the participant is 10 or more years
22 from retirement eligibility under Section 15-135.

23 When assessing payment for any amount due under subsection
24 (g), the System shall exclude earnings increases resulting from
25 overload work, including a contract for summer teaching, or
26 overtime when the employer has certified to the System, and the

1 System has approved the certification, that: (i) in the case of
2 overloads (A) the overload work is for the sole purpose of
3 academic instruction in excess of the standard number of
4 instruction hours for a full-time employee occurring during the
5 academic year that the overload is paid and (B) the earnings
6 increases are equal to or less than the rate of pay for
7 academic instruction computed using the participant's current
8 salary rate and work schedule; and (ii) in the case of
9 overtime, the overtime was necessary for the educational
10 mission.

11 When assessing payment for any amount due under subsection
12 (g), the System shall exclude any earnings increase resulting
13 from (i) a promotion for which the employee moves from one
14 classification to a higher classification under the State
15 Universities Civil Service System, (ii) a promotion in academic
16 rank for a tenured or tenure-track faculty position, or (iii) a
17 promotion that the Illinois Community College Board has
18 recommended in accordance with subsection (k) of this Section.
19 These earnings increases shall be excluded only if the
20 promotion is to a position that has existed and been filled by
21 a member for no less than one complete academic year and the
22 earnings increase as a result of the promotion is an increase
23 that results in an amount no greater than the average salary
24 paid for other similar positions.

25 (i) When assessing payment for any amount due under
26 subsection (g), the System shall exclude any salary increase

1 described in subsection (h) of this Section given on or after
2 July 1, 2011 but before July 1, 2014 under a contract or
3 collective bargaining agreement entered into, amended, or
4 renewed on or after June 1, 2005 but before July 1, 2011.
5 Notwithstanding any other provision of this Section, any
6 payments made or salary increases given after June 30, 2014
7 shall be used in assessing payment for any amount due under
8 subsection (g) of this Section.

9 (j) The System shall prepare a report and file copies of
10 the report with the Governor and the General Assembly by
11 January 1, 2007 that contains all of the following information:

12 (1) The number of recalculations required by the
13 changes made to this Section by Public Act 94-1057 for each
14 employer.

15 (2) The dollar amount by which each employer's
16 contribution to the System was changed due to
17 recalculations required by Public Act 94-1057.

18 (3) The total amount the System received from each
19 employer as a result of the changes made to this Section by
20 Public Act 94-4.

21 (4) The increase in the required State contribution
22 resulting from the changes made to this Section by Public
23 Act 94-1057.

24 (k) The Illinois Community College Board shall adopt rules
25 for recommending lists of promotional positions submitted to
26 the Board by community colleges and for reviewing the

1 promotional lists on an annual basis. When recommending
2 promotional lists, the Board shall consider the similarity of
3 the positions submitted to those positions recognized for State
4 universities by the State Universities Civil Service System.
5 The Illinois Community College Board shall file a copy of its
6 findings with the System. The System shall consider the
7 findings of the Illinois Community College Board when making
8 determinations under this Section. The System shall not exclude
9 any earnings increases resulting from a promotion when the
10 promotion was not submitted by a community college. Nothing in
11 this subsection (k) shall require any community college to
12 submit any information to the Community College Board.

13 (l) For purposes of determining the required State
14 contribution to the System, the value of the System's assets
15 shall be equal to the actuarial value of the System's assets,
16 which shall be calculated as follows:

17 As of June 30, 2008, the actuarial value of the System's
18 assets shall be equal to the market value of the assets as of
19 that date. In determining the actuarial value of the System's
20 assets for fiscal years after June 30, 2008, any actuarial
21 gains or losses from investment return incurred in a fiscal
22 year shall be recognized in equal annual amounts over the
23 5-year period following that fiscal year.

24 (m) For purposes of determining the required State
25 contribution to the system for a particular year, the actuarial
26 value of assets shall be assumed to earn a rate of return equal

1 to the system's actuarially assumed rate of return.
2 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
3 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.
4 7-13-12; revised 10-17-12.)

5 (40 ILCS 5/15-157) (from Ch. 108 1/2, par. 15-157)
6 Sec. 15-157. Employee Contributions.

7 (a) Each participating employee shall make contributions
8 towards the retirement benefits payable under the retirement
9 program applicable to the employee from each payment of
10 earnings applicable to employment under this system on and
11 after the date of becoming a participant as follows: Prior to
12 September 1, 1949, 3 1/2% of earnings; from September 1, 1949
13 to August 31, 1955, 5%; from September 1, 1955 to August 31,
14 1969, 6%; from September 1, 1969, 6 1/2%. These contributions
15 are to be considered as normal contributions for purposes of
16 this Article.

17 Each participant who is a police officer or firefighter
18 shall make normal contributions of 8% of each payment of
19 earnings applicable to employment as a police officer or
20 firefighter under this system on or after September 1, 1981,
21 unless he or she files with the board within 60 days after the
22 effective date of this amendatory Act of 1991 or 60 days after
23 the board receives notice that he or she is employed as a
24 police officer or firefighter, whichever is later, a written
25 notice waiving the retirement formula provided by Rule 4 of

1 Section 15-136. This waiver shall be irrevocable. If a
2 participant had met the conditions set forth in Section
3 15-132.1 prior to the effective date of this amendatory Act of
4 1991 but failed to make the additional normal contributions
5 required by this paragraph, he or she may elect to pay the
6 additional contributions plus compound interest at the
7 effective rate. If such payment is received by the board, the
8 service shall be considered as police officer service in
9 calculating the retirement annuity under Rule 4 of Section
10 15-136. While performing service described in clause (i) or
11 (ii) of Rule 4 of Section 15-136, a participating employee
12 shall be deemed to be employed as a firefighter for the purpose
13 of determining the rate of employee contributions under this
14 Section.

15 (b) Starting September 1, 1969, each participating
16 employee shall make additional contributions of 1/2 of 1% of
17 earnings to finance a portion of the cost of the annual
18 increases in retirement annuity provided under Section 15-136,
19 except that with respect to participants in the self-managed
20 plan this additional contribution shall be used to finance the
21 benefits obtained under that retirement program.

22 (c) In addition to the amounts described in subsections (a)
23 and (b) of this Section, each participating employee shall make
24 contributions of 1% of earnings applicable under this system on
25 and after August 1, 1959. The contributions made under this
26 subsection (c) shall be considered as survivor's insurance

1 contributions for purposes of this Article if the employee is
2 covered under the traditional benefit package, and such
3 contributions shall be considered as additional contributions
4 for purposes of this Article if the employee is participating
5 in the self-managed plan or has elected to participate in the
6 portable benefit package and has completed the applicable
7 one-year waiting period. Contributions in excess of \$80 during
8 any fiscal year beginning before August 31, 1969 and in excess
9 of \$120 during any fiscal year thereafter until September 1,
10 1971 shall be considered as additional contributions for
11 purposes of this Article.

12 (d) If the board by board rule so permits and subject to
13 such conditions and limitations as may be specified in its
14 rules, a participant may make other additional contributions of
15 such percentage of earnings or amounts as the participant shall
16 elect in a written notice thereof received by the board.

17 (e) That fraction of a participant's total accumulated
18 normal contributions, the numerator of which is equal to the
19 number of years of service in excess of that which is required
20 to qualify for the maximum retirement annuity, and the
21 denominator of which is equal to the total service of the
22 participant, shall be considered as accumulated additional
23 contributions. The determination of the applicable maximum
24 annuity and the adjustment in contributions required by this
25 provision shall be made as of the date of the participant's
26 retirement.

1 (f) Notwithstanding the foregoing, a participating
2 employee shall not be required to make contributions under this
3 Section after the date upon which continuance of such
4 contributions would otherwise cause his or her retirement
5 annuity to exceed the maximum retirement annuity as specified
6 in clause (1) of subsection (c) of Section 15-136.

7 (g) A participating employee may make contributions for the
8 purchase of service credit under this Article.

9 (h) A Tier 2 member shall not make contributions on
10 earnings that exceed the limitation as prescribed under
11 subsection (b) of Section 15-111 of this Article.

12 (Source: P.A. 90-32, eff. 6-27-97; 90-65, eff. 7-7-97; 90-448,
13 eff. 8-16-97; 90-511, eff. 8-22-97; 90-576, eff. 3-31-98;
14 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.)

15 (40 ILCS 5/15-158.2)

16 Sec. 15-158.2. Self-managed plan.

17 (a) Purpose. The General Assembly finds that it is
18 important for colleges and universities to be able to attract
19 and retain the most qualified employees and that in order to
20 attract and retain these employees, colleges and universities
21 should have the flexibility to provide a defined contribution
22 plan as an alternative for eligible employees who elect not to
23 participate in a defined benefit retirement program provided
24 under this Article. Accordingly, the State Universities
25 Retirement System is hereby authorized to establish and

1 administer a self-managed plan, which shall offer
2 participating employees the opportunity to accumulate assets
3 for retirement through a combination of employee and employer
4 contributions that may be invested in mutual funds, collective
5 investment funds, or other investment products and used to
6 purchase annuity contracts, either fixed or variable or a
7 combination thereof. The plan must be qualified under the
8 Internal Revenue Code of 1986.

9 (b) Adoption by employers. Each employer subject to this
10 Article may elect to adopt the self-managed plan established
11 under this Section; this election is irrevocable. An employer's
12 election to adopt the self-managed plan makes available to the
13 eligible employees of that employer the elections described in
14 Section 15-134.5.

15 The State Universities Retirement System shall be the plan
16 sponsor for the self-managed plan and shall prepare a plan
17 document and prescribe such rules and procedures as are
18 considered necessary or desirable for the administration of the
19 self-managed plan. Consistent with its fiduciary duty to the
20 participants and beneficiaries of the self-managed plan, the
21 Board of Trustees of the System may delegate aspects of plan
22 administration as it sees fit to companies authorized to do
23 business in this State, to the employers, or to a combination
24 of both.

25 (c) Selection of service providers and funding vehicles.
26 The System, in consultation with the employers, shall solicit

1 proposals to provide administrative services and funding
2 vehicles for the self-managed plan from insurance and annuity
3 companies and mutual fund companies, banks, trust companies, or
4 other financial institutions authorized to do business in this
5 State. In reviewing the proposals received and approving and
6 contracting with no fewer than 2 and no more than 7 companies,
7 the Board of Trustees of the System shall consider, among other
8 things, the following criteria:

9 (1) the nature and extent of the benefits that would be
10 provided to the participants;

11 (2) the reasonableness of the benefits in relation to
12 the premium charged;

13 (3) the suitability of the benefits to the needs and
14 interests of the participating employees and the employer;

15 (4) the ability of the company to provide benefits
16 under the contract and the financial stability of the
17 company; and

18 (5) the efficacy of the contract in the recruitment and
19 retention of employees.

20 The System, in consultation with the employers, shall
21 periodically review each approved company. A company may
22 continue to provide administrative services and funding
23 vehicles for the self-managed plan only so long as it continues
24 to be an approved company under contract with the Board.

25 (d) Employee Direction. Employees who are participating in
26 the program must be allowed to direct the transfer of their

1 account balances among the various investment options offered,
2 subject to applicable contractual provisions. The participant
3 shall not be deemed a fiduciary by reason of providing such
4 investment direction. A person who is a fiduciary shall not be
5 liable for any loss resulting from such investment direction
6 and shall not be deemed to have breached any fiduciary duty by
7 acting in accordance with that direction. Neither the System
8 nor the employer guarantees any of the investments in the
9 employee's account balances.

10 (e) Participation. An employee eligible to participate in
11 the self-managed plan must make a written election in
12 accordance with the provisions of Section 15-134.5 and the
13 procedures established by the System. Participation in the
14 self-managed plan by an electing employee shall begin on the
15 first day of the first pay period following the later of the
16 date the employee's election is filed with the System or the
17 effective date as of which the employee's employer begins to
18 offer participation in the self-managed plan. Employers may not
19 make the self-managed plan available earlier than January 1,
20 1998. An employee's participation in any other retirement
21 program administered by the System under this Article shall
22 terminate on the date that participation in the self-managed
23 plan begins.

24 An employee who has elected to participate in the
25 self-managed plan under this Section must continue
26 participation while employed in an eligible position, and may

1 not participate in any other retirement program administered by
2 the System under this Article while employed by that employer
3 or any other employer that has adopted the self-managed plan,
4 unless the self-managed plan is terminated in accordance with
5 subsection (i).

6 Notwithstanding any other provision of this Article, a Tier
7 2 member shall have the option to enroll in the self-managed
8 plan.

9 Participation in the self-managed plan under this Section
10 shall constitute membership in the State Universities
11 Retirement System.

12 A participant under this Section shall be entitled to the
13 benefits of Article 20 of this Code.

14 (f) Establishment of Initial Account Balance. If at the
15 time an employee elects to participate in the self-managed plan
16 he or she has rights and credits in the System due to previous
17 participation in the traditional benefit package, the System
18 shall establish for the employee an opening account balance in
19 the self-managed plan, equal to the amount of contribution
20 refund that the employee would be eligible to receive under
21 Section 15-154 if the employee terminated employment on that
22 date and elected a refund of contributions, except that this
23 hypothetical refund shall include interest at the effective
24 rate for the respective years. The System shall transfer assets
25 from the defined benefit retirement program to the self-managed
26 plan, as a tax free transfer in accordance with Internal

1 Revenue Service guidelines, for purposes of funding the
2 employee's opening account balance.

3 (g) No Duplication of Service Credit. Notwithstanding any
4 other provision of this Article, an employee may not purchase
5 or receive service or service credit applicable to any other
6 retirement program administered by the System under this
7 Article for any period during which the employee was a
8 participant in the self-managed plan established under this
9 Section.

10 (h) Contributions. The self-managed plan shall be funded by
11 contributions from employees participating in the self-managed
12 plan and employer contributions as provided in this Section.

13 The contribution rate for employees participating in the
14 self-managed plan under this Section shall be equal to the
15 employee contribution rate for other participants in the
16 System, as provided in Section 15-157. This required
17 contribution shall be made as an "employer pick-up" under
18 Section 414(h) of the Internal Revenue Code of 1986 or any
19 successor Section thereof. Any employee participating in the
20 System's traditional benefit package prior to his or her
21 election to participate in the self-managed plan shall continue
22 to have the employer pick up the contributions required under
23 Section 15-157. However, the amounts picked up after the
24 election of the self-managed plan shall be remitted to and
25 treated as assets of the self-managed plan. In no event shall
26 an employee have an option of receiving these amounts in cash.

1 Employees may make additional contributions to the
2 self-managed plan in accordance with procedures prescribed by
3 the System, to the extent permitted under rules prescribed by
4 the System.

5 The program shall provide for employer contributions to be
6 credited to each self-managed plan participant at a rate of
7 7.6% of the participating employee's salary, less the amount
8 used by the System to provide disability benefits for the
9 employee. The amounts so credited shall be paid into the
10 participant's self-managed plan accounts in a manner to be
11 prescribed by the System.

12 An amount of employer contribution, not exceeding 1% of the
13 participating employee's salary, shall be used for the purpose
14 of providing the disability benefits of the System to the
15 employee. Prior to the beginning of each plan year under the
16 self-managed plan, the Board of Trustees shall determine, as a
17 percentage of salary, the amount of employer contributions to
18 be allocated during that plan year for providing disability
19 benefits for employees in the self-managed plan.

20 The State of Illinois shall make contributions by
21 appropriations to the System of the employer contributions
22 required for employees who participate in the self-managed plan
23 under this Section. The amount required shall be certified by
24 the Board of Trustees of the System and paid by the State in
25 accordance with Section 15-165. The System shall not be
26 obligated to remit the required employer contributions to any

1 of the insurance and annuity companies, mutual fund companies,
2 banks, trust companies, financial institutions, or other
3 sponsors of any of the funding vehicles offered under the
4 self-managed plan until it has received the required employer
5 contributions from the State. In the event of a deficiency in
6 the amount of State contributions, the System shall implement
7 those procedures described in subsection (c) of Section 15-165
8 to obtain the required funding from the General Revenue Fund.

9 (i) Termination. The self-managed plan authorized under
10 this Section may be terminated by the System, subject to the
11 terms of any relevant contracts, and the System shall have no
12 obligation to reestablish the self-managed plan under this
13 Section. This Section does not create a right to continued
14 participation in any self-managed plan set up by the System
15 under this Section. If the self-managed plan is terminated, the
16 participants shall have the right to participate in one of the
17 other retirement programs offered by the System and receive
18 service credit in such other retirement program for any years
19 of employment following the termination.

20 (j) Vesting; Withdrawal; Return to Service. A participant
21 in the self-managed plan becomes vested in the employer
22 contributions credited to his or her accounts in the
23 self-managed plan on the earliest to occur of the following:
24 (1) completion of 5 years of service with an employer described
25 in Section 15-106; (2) the death of the participating employee
26 while employed by an employer described in Section 15-106, if

1 the participant has completed at least 1 1/2 years of service;
2 or (3) the participant's election to retire and apply the
3 reciprocal provisions of Article 20 of this Code.

4 A participant in the self-managed plan who receives a
5 distribution of his or her vested amounts from the self-managed
6 plan while not yet eligible for retirement under this Article
7 (and Article 20, if applicable) shall forfeit all service
8 credit and accrued rights in the System; if subsequently
9 re-employed, the participant shall be considered a new
10 employee. If a former participant again becomes a participating
11 employee (or becomes employed by a participating system under
12 Article 20 of this Code) and continues as such for at least 2
13 years, all such rights, service credits, and previous status as
14 a participant shall be restored upon repayment of the amount of
15 the distribution, without interest.

16 (k) Benefit amounts. If an employee who is vested in
17 employer contributions terminates employment, the employee
18 shall be entitled to a benefit which is based on the account
19 values attributable to both employer and employee
20 contributions and any investment return thereon.

21 If an employee who is not vested in employer contributions
22 terminates employment, the employee shall be entitled to a
23 benefit based solely on the account values attributable to the
24 employee's contributions and any investment return thereon,
25 and the employer contributions and any investment return
26 thereon shall be forfeited. Any employer contributions which

1 are forfeited shall be held in escrow by the company investing
2 those contributions and shall be used as directed by the System
3 for future allocations of employer contributions or for the
4 restoration of amounts previously forfeited by former
5 participants who again become participating employees.

6 (Source: P.A. 93-347, eff. 7-24-03.)

7 (40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

8 Sec. 15-159. Board created.

9 (a) A board of trustees constituted as provided in this
10 Section shall administer this System. The board shall be known
11 as the Board of Trustees of the State Universities Retirement
12 System.

13 (b) (Blank). ~~Until July 1, 1995, the Board of Trustees~~
14 ~~shall be constituted as follows:~~

15 ~~Two trustees shall be members of the Board of Trustees of~~
16 ~~the University of Illinois, one shall be a member of the Board~~
17 ~~of Trustees of Southern Illinois University, one shall be a~~
18 ~~member of the Board of Trustees of Chicago State University,~~
19 ~~one shall be a member of the Board of Trustees of Eastern~~
20 ~~Illinois University, one shall be a member of the Board of~~
21 ~~Trustees of Governors State University, one shall be a member~~
22 ~~of the Board of Trustees of Illinois State University, one~~
23 ~~shall be a member of the Board of Trustees of Northeastern~~
24 ~~Illinois University, one shall be a member of the Board of~~
25 ~~Trustees of Northern Illinois University, one shall be a member~~

1 ~~of the Board of Trustees of Western Illinois University, and~~
2 ~~one shall be a member of the Illinois Community College Board,~~
3 ~~selected in each case by their respective boards, and 2 shall~~
4 ~~be participants of the system appointed by the Governor for a 6~~
5 ~~year term with the first appointment made pursuant to this~~
6 ~~amendatory Act of 1984 to be effective September 1, 1985, and~~
7 ~~one shall be a participant appointed by the Illinois Community~~
8 ~~College Board for a 6 year term, and one shall be a participant~~
9 ~~appointed by the Board of Trustees of the University of~~
10 ~~Illinois for a 6 year term, and one shall be a participant or~~
11 ~~annuitant of the system who is a senior citizen age 60 or older~~
12 ~~appointed by the Governor for a 6 year term with the first~~
13 ~~appointment to be effective September 1, 1985.~~

14 ~~The terms of all trustees holding office under this~~
15 ~~subsection (b) on June 30, 1995 shall terminate at the end of~~
16 ~~that day and the Board shall thereafter be constituted as~~
17 ~~provided in subsection (c).~~

18 (c) (Blank). ~~Beginning July 1, 1995, the Board of Trustees~~
19 ~~shall be constituted as follows:~~

20 ~~The Board shall consist of 9 trustees appointed by the~~
21 ~~Governor. Two of the trustees, designated at the time of~~
22 ~~appointment, shall be participants of the System. Two of the~~
23 ~~trustees, designated at the time of appointment, shall be~~
24 ~~annuitants of the System who are receiving retirement annuities~~
25 ~~under this Article. The 5 remaining trustees may, but need not,~~
26 ~~be participants or annuitants of the System.~~

1 ~~The term of office of trustees appointed under this~~
2 ~~subsection (c) shall be 6 years, beginning on July 1. However,~~
3 ~~of the initial trustees appointed under this subsection (c), 3~~
4 ~~shall be appointed for terms of 2 years, 3 shall be appointed~~
5 ~~for terms of 4 years, and 3 shall be appointed for terms of 6~~
6 ~~years, to be designated by the Governor at the time of~~
7 ~~appointment.~~

8 ~~The terms of all trustees holding office under this~~
9 ~~subsection (c) on the effective date of this amendatory Act of~~
10 ~~the 96th General Assembly shall terminate on that effective~~
11 ~~date. The Governor shall make nominations for appointment under~~
12 ~~this Section within 60 days after the effective date of this~~
13 ~~amendatory Act of the 96th General Assembly. A trustee sitting~~
14 ~~on the board on the effective date of this amendatory Act of~~
15 ~~the 96th General Assembly may not hold over in office for more~~
16 ~~than 90 days after the effective date of this amendatory Act of~~
17 ~~the 96th General Assembly. Nothing in this Section shall~~
18 ~~prevent the Governor from making a temporary appointment or~~
19 ~~nominating a trustee holding office on the day before the~~
20 ~~effective date of this amendatory Act of the 96th General~~
21 ~~Assembly.~~

22 (d) Beginning on the 90th day after April 3, 2009 (the
23 effective date of Public Act 96-6) ~~this amendatory Act of the~~
24 ~~96th General Assembly,~~ the Board of Trustees shall be
25 constituted as follows:

26 (1) The Chairperson of the Board of Higher Education,

1 who shall act as chairperson of this Board.

2 (2) Four trustees appointed by the Governor with the
3 advice and consent of the Senate who may not be members of
4 the system or hold an elective State office and who shall
5 serve for a term of 6 years, except that the terms of the
6 initial appointees under this subsection (d) shall be as
7 follows: 2 for a term of 3 years and 2 for a term of 6
8 years.

9 (3) Four active participants of the system to be
10 elected from the contributing membership of the system by
11 the contributing members, no more than 2 of which may be
12 from any of the University of Illinois campuses, who shall
13 serve for a term of 6 years, except that the terms of the
14 initial electees shall be as follows: 2 for a term of 3
15 years and 2 for a term of 6 years.

16 (4) Two annuitants of the system who have been
17 annuitants for at least one full year, to be elected from
18 and by the annuitants of the system, no more than one of
19 which may be from any of the University of Illinois
20 campuses, who shall serve for a term of 6 years, except
21 that the terms of the initial electees shall be as follows:
22 one for a term of 3 years and one for a term of 6 years.

23 For the purposes of this Section, the Governor may make a
24 nomination and the Senate may confirm the nominee in advance of
25 the commencement of the nominee's term of office.

26 (e) The 6 elected trustees shall be elected within 90 days

1 after April 3, 2009 (the effective date of Public Act 96-6)
2 ~~this amendatory Act of the 96th General Assembly~~ for a term
3 beginning on the 90th day after that ~~the effective date of this~~
4 ~~amendatory Act~~. Trustees shall be elected thereafter as terms
5 expire for a 6-year term beginning July 15 next following their
6 election, and such election shall be held on May 1, or on May 2
7 when May 1 falls on a Sunday. The board may establish rules for
8 the election of trustees to implement the provisions of Public
9 Act 96-6 ~~this amendatory Act of the 96th General Assembly~~ and
10 for future elections. Candidates for the participating trustee
11 shall be nominated by petitions in writing, signed by not less
12 than 400 participants with their addresses shown opposite their
13 names. Candidates for the annuitant trustee shall be nominated
14 by petitions in writing, signed by not less than 100 annuitants
15 with their addresses shown opposite their names. If there is
16 more than one qualified nominee for each elected trustee, then
17 the board shall conduct a secret ballot election by mail for
18 that trustee, in accordance with rules as established by the
19 board. If there is only one qualified person nominated by
20 petition for each elected trustee, then the election as
21 required by this Section shall not be conducted for that
22 trustee and the board shall declare such nominee duly elected.
23 A vacancy occurring in the elective membership of the board
24 shall be filled for the unexpired term by the elected trustees
25 serving on the board for the remainder of the term. Nothing in
26 this subsection shall preclude the adoption of rules providing

1 for internet or phone balloting in addition, or as an
2 alternative, to election by mail.

3 (f) A vacancy in the appointed membership on the board of
4 trustees caused by resignation, death, expiration of term of
5 office, or other reason shall be filled by a qualified person
6 appointed by the Governor for the remainder of the unexpired
7 term.

8 (g) Trustees (other than the trustees incumbent on June 30,
9 1995 or as provided in subsection (c) of this Section) shall
10 continue in office until their respective successors are
11 appointed and have qualified, except that a trustee appointed
12 to one of the participant positions shall be disqualified
13 immediately upon the termination of his or her status as a
14 participant and a trustee appointed to one of the annuitant
15 positions shall be disqualified immediately upon the
16 termination of his or her status as an annuitant receiving a
17 retirement annuity.

18 (h) Each trustee must take an oath of office before a
19 notary public of this State and shall qualify as a trustee upon
20 the presentation to the board of a certified copy of the oath.
21 The oath must state that the person will diligently and
22 honestly administer the affairs of the retirement system, and
23 will not knowingly violate or willfully ~~wilfully~~ permit to be
24 violated any provisions of this Article.

25 Each trustee shall serve without compensation but shall be
26 reimbursed for expenses necessarily incurred in attending

1 board meetings and carrying out his or her duties as a trustee
2 or officer of the system.

3 ~~(i) This amendatory Act of 1995 is intended to supersede~~
4 ~~the changes made to this Section by Public Act 89-4.~~

5 (Source: P.A. 96-6, eff. 4-3-09; 96-1000, eff. 7-2-10.)

6 (40 ILCS 5/15-163) (from Ch. 108 1/2, par. 15-163)

7 Sec. 15-163. To consider applications and authorize
8 payments.

9 To consider and pass on all applications for annuities and
10 benefits; to authorize the granting of annuities and benefits;
11 and to limit or suspend any payment or payments, all in
12 accordance with this Article. The Board may delegate the
13 actions prescribed under this Section to persons employed by
14 the System.

15 (Source: Laws 1963, p. 161.)

16 (40 ILCS 5/15-168) (from Ch. 108 1/2, par. 15-168)

17 Sec. 15-168. To require information.

18 To require such information as shall be necessary for the
19 proper operation of the system from any participant or
20 beneficiary or from any employer of a participant ~~officer,~~
21 ~~department head or other person or persons in authority, as the~~
22 ~~ease may be, of any employer.~~

23 (Source: Laws 1963, p. 161.)

1 (40 ILCS 5/15-171) (from Ch. 108 1/2, par. 15-171)

2 Sec. 15-171. To receive, record and deposit payments.

3 To receive all payments made to the system; to make a
4 record thereof; and to cause all payments to be deposited
5 immediately with the treasurer of the system. The Board may
6 delegate the actions prescribed under this Section to persons
7 employed by the System.

8 (Source: Laws 1963, p. 161.)

9 (40 ILCS 5/15-172) (from Ch. 108 1/2, par. 15-172)

10 Sec. 15-172. To certify warrants, checks, or drafts. To
11 provide for certification on its behalf by its ~~president and~~
12 secretary of all warrants, checks, or drafts upon its
13 depository bank or corporate trustee ~~upon its treasurer~~ in
14 accordance with the by-laws and actions of the board
15 authorizing payments for benefits, expenses, investments and
16 debt service, including any redemption premium and required
17 deposits for any bonds of the board, out of funds belonging to
18 this system.

19 (Source: P.A. 86-1034.)

20 (40 ILCS 5/15-177) (from Ch. 108 1/2, par. 15-177)

21 Sec. 15-177. To make rules.

22 To establish by-laws; to fix the number necessary for a
23 quorum; to set up an executive committee of its members to
24 exercise all powers of the board except as limited by the

1 board; to establish rules and regulations, not inconsistent
2 with the provisions of this Article, as are necessary for the
3 administration of the system; and generally to carry on any
4 other reasonable activities which are deemed necessary to
5 accomplish the purposes of this system, including without
6 limitation the time and manner of reporting contributions by
7 participants and, if applicable, contributions by employers.

8 (Source: Laws 1963, p. 161.)

9 (40 ILCS 5/15-177.1 new)

10 Sec. 15-177.1. To obtain additional services. To obtain by
11 employment or by contract such additional actuarial services
12 and such legal, medical, clerical, audit, or other services as
13 are required for the efficient administration of the System.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.

1

INDEX

2

Statutes amended in order of appearance

3

40 ILCS 5/1-160

4

40 ILCS 5/15-102

from Ch. 108 1/2, par. 15-102

5

40 ILCS 5/15-108.1 new

6

40 ILCS 5/15-108.2 new

7

40 ILCS 5/15-111

from Ch. 108 1/2, par. 15-111

8

40 ILCS 5/15-112

from Ch. 108 1/2, par. 15-112

9

40 ILCS 5/15-113.6

from Ch. 108 1/2, par. 15-113.6

10

40 ILCS 5/15-134

from Ch. 108 1/2, par. 15-134

11

40 ILCS 5/15-135

from Ch. 108 1/2, par. 15-135

12

40 ILCS 5/15-136

from Ch. 108 1/2, par. 15-136

13

40 ILCS 5/15-136.3

14

40 ILCS 5/15-139

from Ch. 108 1/2, par. 15-139

15

40 ILCS 5/15-139.1 new

16

40 ILCS 5/15-145

from Ch. 108 1/2, par. 15-145

17

40 ILCS 5/15-145.1 new

18

40 ILCS 5/15-146

from Ch. 108 1/2, par. 15-146

19

40 ILCS 5/15-146.1

from Ch. 108 1/2, par. 15-146.1

20

40 ILCS 5/15-155

from Ch. 108 1/2, par. 15-155

21

40 ILCS 5/15-157

from Ch. 108 1/2, par. 15-157

22

40 ILCS 5/15-158.2

23

40 ILCS 5/15-159

from Ch. 108 1/2, par. 15-159

24

40 ILCS 5/15-163

from Ch. 108 1/2, par. 15-163

25

40 ILCS 5/15-168

from Ch. 108 1/2, par. 15-168

- 1 40 ILCS 5/15-171 from Ch. 108 1/2, par. 15-171
- 2 40 ILCS 5/15-172 from Ch. 108 1/2, par. 15-172
- 3 40 ILCS 5/15-177 from Ch. 108 1/2, par. 15-177
- 4 40 ILCS 5/15-177.1 new